

WEBINAR | MAY 2025

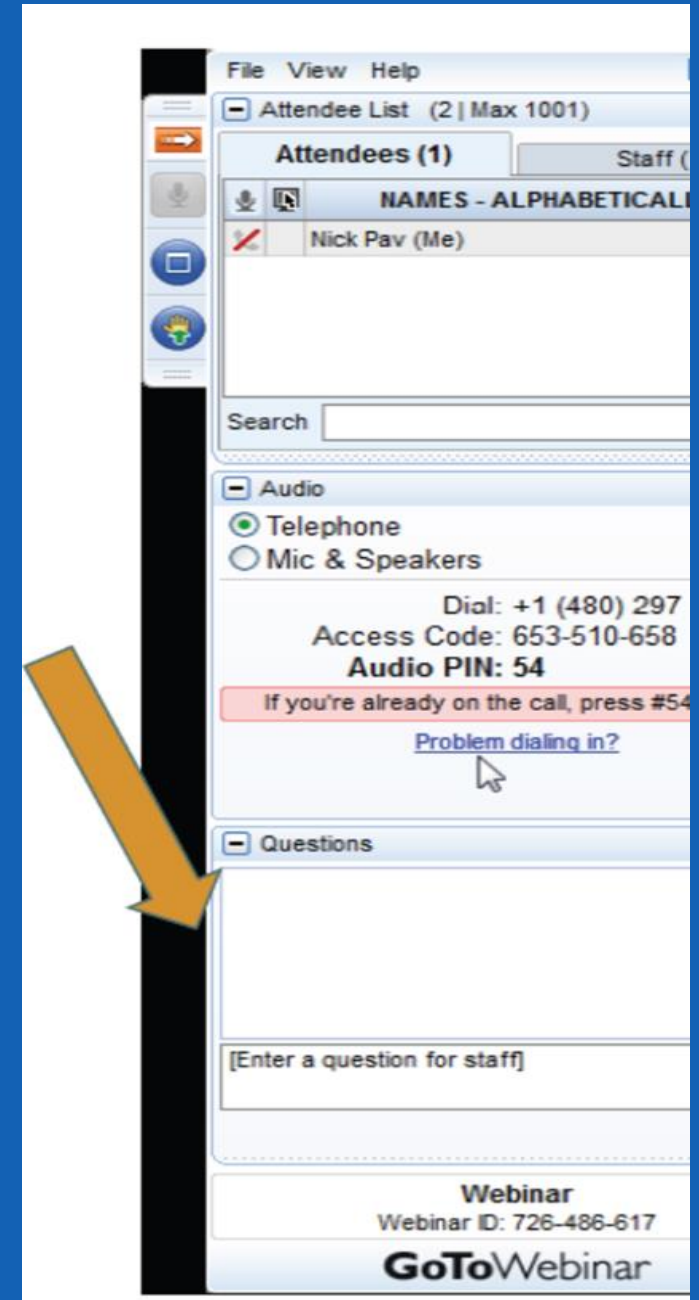
# FFAs in Crisis: Preserving Placements for 1 in 5 Youth in Foster Care

**ALLIANCE**  
*for* **CHILDREN'S**  
**RIGHTS**



# Logistics

- Webinar resources, including recording and supplemental materials, will be posted at <https://allianceforchildrensrights.org/resources/>
- All attendees are muted during webinar.
- Please submit questions using the “Questions” function on your GoToWebinar dashboard.



# FFAs in Crisis: *Preserving Placements for 1 in 5 Youth in Foster Care*

# Presenters



**Adrienne Shilton**  
Vice President of  
Public Policy &  
Strategy



**Elizabeth Oseguera**  
Director of Public  
Policy

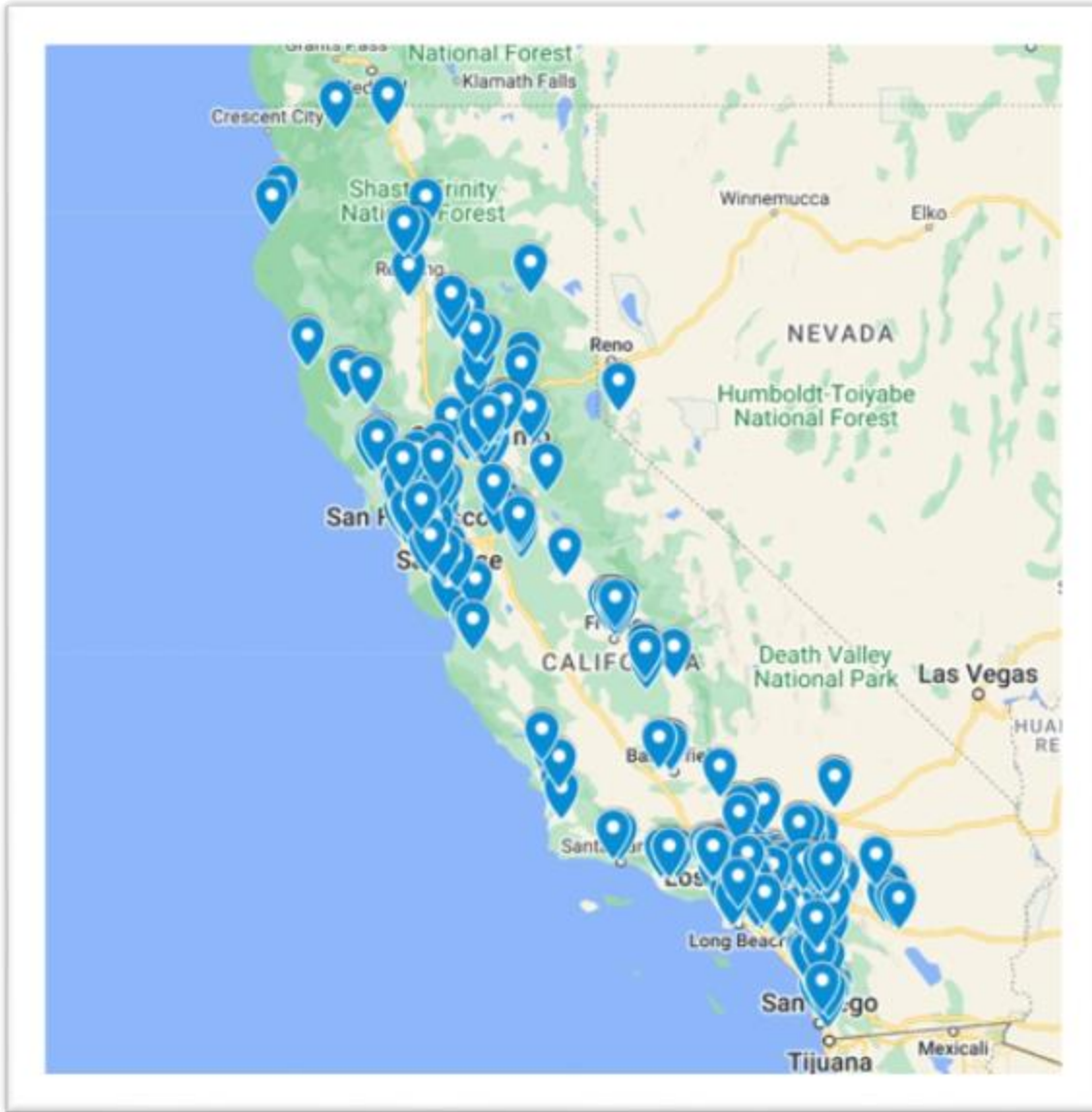


**Purva Bhattacharjee**  
Policy Advocate,  
Child Welfare



# About Us

- ❖ The California Alliance is the collective voice for over [160 nationally accredited non-profit community-based organizations](#) dedicated to serving children, youth, and families.
- ❖ Our member organizations provide behavioral health, foster care, juvenile justice, education, and prevention services across California's 58 counties.
- ❖ Our primary objective is to ensure California's children, youth, and families facing vulnerable circumstances thrive in their communities.
- ❖ To achieve this, we provide legislative and regulatory advocacy to the Governor, the Legislature, and a wide range of state departments.
- ❖ From policy reform to building stronger networks, our collective efforts are shaping a more inclusive and empowered future for all children, youth, and families.





# What are FFAs?

# Definition

- A “Foster Family Agency” (FFA) is any public agency (county-run or otherwise) or private organization that is run and operated on a nonprofit basis, engaged in any of the following:
  - recruiting, training, and approving of, and providing professional support to foster parents and resource families
  - coordinating with county placing agencies to find homes for foster children in need of care
  - providing services and support to approved FFA resource families, county-approved resource families, and children to the extent authorized by state and federal law.
- There are around 220 FFAs operating across all 58 counties across California. They serve over 7,000 foster youth, accounting for nearly 1 in 5 foster youth placements statewide.
- FFAs also work with families who can further be trained and transitioned to becoming Intensive Services Foster Care (ISFC) families.
  - ISFC assists the highest-need children and youth in care, and FFAs support almost 100% of ISFC family-based homes.



# Value of FFAs to Child Welfare System

- California's county welfare agencies rely on FFAs to help with providing suitable home-based placements for youth, especially for medically fragile children, LGBTQ+ youth, probation youth, pregnant and parenting youth, and children with higher needs.
- **Without FFAs, foster youth who need more intensive care would have a more difficult time in finding suitable placement options for their needs.**
  - Their absence would also greatly overwhelm the county child welfare system, with county social workers having excessive caseloads, losing a significant number of available placements for foster youth, and reducing the amount of individualized attention that youth with higher acuity need and deserve, impacting their quality of care.
  - FFAs provide 24/7 emergency services and supports for their youth and families, something that the counties are not required, nor have the capacity, to provide.
  - Without FFAs we will see more children and youth being placed in unlicensed settings, such as offices or lengthy stays in the hospital.
- For foster children, being uprooted after finally settling into a family home is a devastating setback. It means starting from scratch in another new home, starting over with therapists and support specialists, even having to start a new school mid-year.
  - Multiple research studies show that the loss of a social worker alone can significantly disrupts the permanency process and severs yet another bond in a foster child's life: with each loss of a social worker, the rate of achieving permanency for a foster youth drops dramatically from 74.5% with one social worker to less than 3% with three or more social workers.

# Value of FFAs to Children, Youth and Families

- A significant role of FFAs is recruiting and training families for the youth they are trying to place.
- FFAs also help to train foster families, and cover training expenses, so these families can properly support high-risk placements and ensure foster parents are well-prepared to handle the complexities of fostering.
- A July 2022 CA Alliance survey found that 70% of families received reunification services, and 60% of youth were reunified with a family member through the work of FFAs.
- These agencies can help achieve the State's goal of reducing the number of youths in congregate care, ensuring youth are not sleeping in county offices or unlicensed settings, and promoting family reunification.



# Member Spotlight – Wayfinder Family Services

- Wayfinder is one of the largest statewide foster care and adoption agencies in California, reaching all 58 counties:
  - 10,519 children who had been recently removed from their homes have found safety and loving care at The Cottage, their temporary shelter program, since 2016. This is the only temporary care shelter for foster children that is licensed to care for infants and toddlers in Los Angeles County.
  - Nearly 18,000 children have found stability and permanency in loving homes through their adoption programs since 1980. Wayfinder also provides Post-Adoption Support Services to provide adoptive families with a support system and reduce isolation and emotional stress.
  - 10,576 kinship family members have received emergency assistance, case management and support services in their Kinship Support Services Program for extended family raising children who otherwise would go into foster care. Wayfinder is nationally recognized for expertise in kinship care, which assists relatives or friends who step up to raise children so they avoid the trauma of separation from their birth family.
  - The organization serves a total of over 22,000 individuals statewide each year through child welfare and disabilities programs. Children with disabilities are overrepresented in child welfare — roughly 39% vs. 4.3% in the U.S. overall (U.S. Census Bureau, 2019). Wayfinder recognizes the intersection of two critical challenges by utilizing evidence-based practices, innovative programming, and collaboration across systems to support youth in their care.



# Overview of Issues Impacting FFAs



# FFA Insurance Crisis Background

- California, among other states, is facing an insurance crisis that is impacting many organizations who work with children and youth, including schools and counties.
- In August 2024, the Nonprofit Insurance Alliance of California (NIAC) that provided coverage to 90% of FFAs, announced that they would have to stop renewing liability coverage policies.
  - FFAs cannot operate without liability insurance, as it is essential for mitigating risk, ensuring financial stability, providing safe and reliable care for children and families, and a requirement of county contracts. Although limited alternate insurance options are emerging for some FFAs to continue operating and retain coverage in the short-term, they come with significantly higher costs for often lower levels of coverage, making them an unsustainable long-term solution for agencies
- California Insurance Commissioner Ricardo Lara issued an urgent request for other insurance providers to consider providing options for the state's foster family agencies. However, not a single state-admitted insurer has stepped up.
- **Indemnification:** Some FFAs are required to indemnify the counties they contract with, a practice that raises liability risks for FFAs. This increased risk makes them less attractive to insurance carriers, ultimately driving up the cost of insurance premiums.
- AB 2496, The FFA Accountability Act, passed in 2024, changed that policy; however, the indemnification language is set to sunset in 2027, after which insurance costs are expected to increase again.
  - The language in the bill is also not inclusive of all the programs an FFA may operate such as a transitional housing placement program for foster youth over 18 or a short-term residential therapeutic program. Thus, this issue persists as a huge risk for agencies attempting to find new insurance coverage.



# Current Challenges Due to FFA Insurance Crisis

- **10 FFAs have closed their licenses, and an additional estimated 14 have retained their license, but ended services in specific counties, reducing their capacity and have ported youth and families formerly served by the FFA to other FFAs or the county.**
  - Portability is the process that allows a Resource Family to transfer their Resource Family Approval from one FFA to another or to the county. This ensures that families affected by an agency closure can continue caring for the children in their care without disruption.
  - A total of 154 youth and families have been ported due to FFA closures, 60% have ported to other FFAs, and 40% to counties.
  - Considering a majority of closed FFAs have ported over to other FFAs, the option to port over to another FFA will be limited once more closures occur over the next few months.
- **FFAs about the FFA Insurance Crisis:**
  - “We laid off staff who provide one-on-one support and peer partners who provide engagement, family finding and reunification support. We cannot support doing supervised visits due to low staffing. Resource families will not get the support for afterhours interventions. We don't have staff to run the resource parent support groups...”
  - “Due to the expectation[s] of the insurance company, we must be very selective [of] who we place in one of our FFA homes. A youth's history may exclude them from placement in one of our homes.”

# FFA Sustainability - CNI COLA Rates Issue

- **Unlike other foster care rates, FFAs do not receive an automatic annual COLA to their rates based on the California Necessities Index (CNI) making them at an elevated risk of closing and/or downsizing.** Until the new permanent rate structure is implemented in 2027, the rates paid to FFAs will not increase by the CNI-based COLA automatically. The May Revise has now made the new rates structure be implemented on a trigger-on basis, risking FFAs to not receive a COLA beyond 2027.
- In 2023, FFAs were successful in getting a one-time 8.8% increase to get a COLA, agencies used the funding to increase for staff wages, benefits, and mileage reimbursement, help cover general overhead and programming expenses, and recruit resource families. However, last year, FFAs were not successful in receiving the annual COLA and saw the \$8 million infusion expire due to the state's budget deficit. This is detrimental to the State's vision of CCR, which is to reduce the number of youth in foster care placed in congregate care and increase family reunification.
- FFAs are unable to keep up with competitive wages for social workers, despite serving foster youth that require higher levels of supports and services.
  - The California Alliance conducted a survey of 39 FFAs in 2024, which showed that the social worker turnover rate in agencies is 36%. This poses a threat to youth stability, with multiple research studies showing that the loss of a social worker significantly disrupts the permanency process and severs yet another bond in a foster child's life: with each loss of a social worker, the rate of achieving permanency for a foster youth drops dramatically from 74.5% with one social worker to less than 3% with three or more social workers.

# FFA Budget Advocacy

# FFA Insurance Survey Results

- The CA Alliance partnered with the California Department of Social Services (CDSS) to create a survey to assess the impacts of the FFA insurance crisis in May 2025 and found that among the 66 FFAs that responded:
  - Liability insurance costs have increased dramatically: by an annual average of \$163,484 in costs from the previous year.
  - The top 25% of organizations with the highest increase in liability insurance costs reported an average increase of \$366,070 from the prior year.
- Impact of FFA Insurance Crisis:
  - 60% of FFAs in the survey reported that they will not be able to sustain the higher costs of insurance by their next renewal date, with 33% projecting that their FFA will be at risk of closing entirely, and 27% will be at risk of reducing capacity.
  - With the majority of FFAs (66%) having their renewal dates coming up by the end of 2025, the need for funding to help offset the insurance costs is imminent for FFAs, as agencies will face reductions in services, staff, and closures within the next few months.
  - Already, 32% of agencies reported that they have laid off staff due to higher insurance costs, and 11% of FFAs have closed some of their offices, reducing the number of homes and children an FFA can serve in their area.

# Updated FFA Budget Ask

- The CA Alliance is requesting \$42.2 million in emergency funding— with \$31.5 million allocated toward offsetting skyrocketing insurance costs, championed by Assemblymember Ramos and Senator Durazo. This critical funding is needed to stabilize California's 220 Foster Family Agencies (FFAs) and protect placements for the more than 7,400 foster youth they serve. This critical investment would provide immediate relief to FFAs, helping prevent further closures while the CA Alliance, in collaboration with CDSS and other partners, works toward a sustainable, long-term solution to the insurance crisis.
- Without this funding:
  - More FFAs will be forced to shut down offices and services, drastically reducing access to safe, home-based placements for foster youth.
  - Increasing number of youth being placed in unsafe, unlicensed settings such as hotel rooms, office spaces, and juvenile detention centers.
  - Collapse of specialized care for youth with complex needs that FFAs uniquely provide.
  - Overwhelming county child welfare systems, unable to accommodate the influx of vulnerable children.
  - Hinder the ability to meet the goals set forth by the Governor's Administrations to revamp the child welfare system, with less providers to help implement the changes and meet the immediate needs of youth.



# FFA Budget Ask in the News

- [Capitol Radio](#), *“California foster youth advocates push back on Governor Newsom’s budget proposal”*. May 21, 2025: “It’s gotten harder for foster family agencies to stay insured. A major insurer pulled out last fall — and now agencies are asking the state for \$42 million to help them pay higher premiums while they figure out a long-term solution. But that’s not in Newsom’s budget.”
- [Capitol Weekly](#), March 20, 2025 “Since the fall, she says seven foster family programs within the state have closed, representing *“a concerning trend*, said Adrienne Shilton, the vice president of public policy and strategy for the California Alliance of Child and Family Services. *“While it’s a small number it’s still lives that are being impacted.”*
- [Sacramento Bee](#), April 21, 2025: *“Our insurance has quadrupled to 401% increase three months after we had negotiated our contracts ... from \$215,000 to \$863,000,” Brittany Lucas, CFO for a Northern California non-profit, said at an April 3 Senate Budget subcommittee hearing on April 3. “We are doing all we can to survive this, while holding our mission and values closely, truly barely making ends meet.”*
- [ABC 7](#), LA, September 3, 2024: Chanel Boutakidis is the CEO of Five Acres, and like other FFAs, can only wait to see what happens in Sacramento. *“It’s heartbreaking for us to think that our programs would be in jeopardy alongside all the others in California who operate foster care agencies, but without us you’re gonna see a lot of families who really never find their way to a child,”* said Boutakidis.

# Resources & Take Action

# Resources

- CACFS FFA Website: <https://www.cacfs.org/thousands-foster-youth-brink>
- CACFS Sign-on Letter [Link](#)
- [Updated Fact Sheet- FFA Budget Ask](#)
- [May 2025 FFA Insurance Evaluation Survey Results](#)
- [AB 218](#) (Chapter 861, Statutes of 2019)
- FCMAT – [Childhood Sexual Assault: Fiscal Implications for California Public Agencies](#)
- [AB 2496](#) (Chapter 403, Statutes of 2024)
- [ACL 24-77/PIN 24-15](#) – Expedited Portability

# Take Action & Support FFAs TODAY!

## ➤ Submit a letter of support for our \$42.2M FFA Budget Ask!

- [Updated Template Support Letter](#) (as an individual/ general NGO)
- Please submit by Friday, May 30<sup>th</sup> on behalf of your organization to [SBUD.Committee@senate.ca.gov](mailto:SBUD.Committee@senate.ca.gov) and [AsmBudget@asm.ca.gov](mailto:AsmBudget@asm.ca.gov), and forward the email to [pbhattacharjee@cacfs.org](mailto:pbhattacharjee@cacfs.org).

## ➤ Submit YOUR Story – Why FFAs Matter

- If you have worked with an FFA, or find the work of FFAs valuable, please consider sharing your story!
- We are collecting stories to help support our advocacy for our FFA Budget ask and show the important role FFAs have in the Child Welfare System. Use the form at the bottom of our website [here](#).

## ➤ Make Your Voice Heard – Legislative Budget Hearings

- If you want to get more involved, join hearings in Sacramento please contact [pbhattacharjee@cacfs.org](mailto:pbhattacharjee@cacfs.org)

# ALLIANCE *for* CHILDREN'S RIGHTS

*Webinar resources, including  
recording and supplemental  
materials, will be posted at  
[https://allianceforchildrensrights.org  
/resources/](https://allianceforchildrensrights.org/resources/)*

STAY CONNECTED

[allianceforchildrensrights.org](https://allianceforchildrensrights.org)



THANK  
YOU



@allianceforchildrensrights